



**Edinburgh: Broughton St. Mary's Parish Church
(Church of Scotland)**

Annual Report

Year to 31 December 2011

Congregation Number 010008

Scottish Charity Number SC 012642

Trustees Annual Report
Year ended 31 December 2011

The Trustees present the annual report and accounts for Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland) for the year ended 31 December 2011.

Reference and administrative information

Charity name	Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland)
Charity reference number	SC012642
Congregation reference number	010008
Contact address	12 Bellevue Crescent, Edinburgh, EH3 6NE
Websites	www.bstmchurch.org.uk www.facebook.com/bstmchurch

Trustees

Rev. J.C. Hood, Miss E. Allan, Mrs J. Allan, C. Beck, Mrs J. Beveridge, J. Blaik, Miss M. Braby, Mrs E. Brown, S. Brown, Mrs D. Buckingham,	I.R. Buckingham, Mrs G. Buckingham, D. Cartright, Miss D. Chisholm, B.J. Duffin, Mrs J. Duffin, Mrs J. Gault, R. Gibson, G. Grahamslaw, W. McCall,	Mrs H. McCoy, Ms M.McRae, Mrs D. Munro, Mrs B. Robertson, G. Rogers, Captain R. Smith, Ms E. Theurer, Mrs J. Whitfield
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Principal office bearers

Minister:	Rev. J.C. Hood, M.A., B.D.
Session Clerk:	I.R. Buckingham
Treasurer:	G. Gray

Independent examiner

Alexander F. Gemmill
40 Warriston Gardens,
Edinburgh, EH3 5NE

Bankers

Royal Bank of Scotland
2, Blenheim Place,
Edinburgh, EH7 5JH

Trustees Annual Report
Year ended 31 December 2011

Structure, governance and management

Governing document

The Church is administered in accordance with the terms of the Deed of Constitution (Unitary Form).

Recruitment and appointment of trustees

Members of the Kirk Session are the Charity Trustees. The Kirk Session members are the elders of the Church and are chosen from those members of the Church who are considered to have appropriate gifts and skills. The Minister, who is a member of the Kirk Session, is elected by the congregation and is inducted by Presbytery.

During 2011 there were no appointments or resignations of trustees. .

Organisational structure

As a congregation with the Deed of Constitution (Unitary Form) the Kirk Session, as well as being responsible for the spiritual affairs within the Church, also has responsibility for its property and financial affairs. The Kirk Session which meets six times a year, has appointed a property and finance team that reports directly to the Kirk Session.

Objectives and activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in policy. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish in Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

Broughton St. Mary's provides regular Sunday **worship** at 10.30am every week, and an alternative way of worshipping using a Labyrinth at times when necessary or desired by the congregation, parish or presbytery. A Sunday Club for children of all ages meets every Sunday morning during the latter part of worship and a crèche is also available for babies and young children.

The congregation holds various events through the year to engage the wider community of the parish in the work of the Church including coffee mornings and Christmas and spring fairs. The Church has also hosted services for its local primary school for the past six years. The Church has also hosted a Christmas service for adults with learning difficulties under the care of the City of Edinburgh Council. These services allow us to connect with more local people and show how serious we are in our efforts to accept, care for and include the many different communities that exist within our parish.

Social events are also held for the congregation to welcome new worshippers and create a sense of **fellowship** within the Church itself. These include celebration lunches or meals, garden parties, Christmas parties and congregational outings. The Sunday Club also holds an annual outing for all the children and their families.

In addition to the activities the Church organises to assist in reaching its aims and objectives, there are other bodies that use our premises and hold activities which benefit and enrich the life and profile of the Church. These include the Wednesday Club (a group of carpet bowlers and scrabble players), the Scottish Country Dance Club, the Art Club, the Brownie Guides, the Rainbow Guides and the Medau Society. The Beavers, Cubs and Scouts of the 11th Leith Group are sponsored by the Kirk Session and are affiliated to the Church and on occasion hold meetings in our premises. There is also a Garden Team that tends the church garden which enhances our surroundings and brings pleasure to users and visitors to the premises.

Trustees Annual Report (continued)
Year ended 31 December 2011

During the past year

As part of our **service** to others the following charitable bodies have used the church's premises during the year; Waverley Care, No Strings Attached Community Wind Band, Scotland Yard Adventure Centre. Various individuals from the community have used the premises to hold family celebrations. The New Town and Broughton Community Council has held its meetings in our premises and election hustings for the Scottish Parliamentary Election and a Local Council Bi-Election were held in the Church. The production team from The Broughton Spurtle a community newsletter has used our photocopying facilities.

A major user of the premises is the City of Edinburgh Council (Bellevue Project) which caters for adults from the local area with learning difficulties.

Special occasions also bring other events to the annual life cycle of Broughton St Mary's. We offer **worship** every evening during Holy Week and a Watchnight Service at 11.00 pm on Holy Saturday. On Easter Sunday morning we have two services, the first in the garden and the second a family celebration of Holy Communion, with breakfast in between. Christmas also offers different worship opportunities at 6.30pm and 11.30pm on Christmas Eve. There is a 10.30am family service on Christmas Day during which the sacrament of Holy Communion is celebrated. During the Summer months we offered a reflective Communion service at 9.00am. The Central Branch of the Royal British Legion and pupils from Drummond Community High School participated in our annual Remembrance Day service in November. The Church has held a special service to mark World Aids Day and the church was open to for prayer and reflection. The front of the church building was floodlit in red lighting to highlight our commitment to support those affected by HIV and AIDS

Other groups that exist to promote **discipleship** in Broughton St Mary's and enable us in our aims to allow people to grow in their faith are our '20-30's group which meets to share fellowship and faith over meals and other social events. Our Learning and Growth discussion groups cover various themes and also run throughout the period of Lent. During the year the Church has held "Messy Church" which provides a different church experience for children of all ages up to 12 years together with their parents/carers. This opportunity for **evangelism** to children and adults who do not attend church at other times is one that we plan to develop in the year to come.

Achievements and performance

This past year was our "**year of service**" and has seen a continuing growth in our groups and projects using the rooms and facilities developed by the first phase of work on the lower ground floor of our building.

We encouraged members to sign up for Sunday +2 asking as many people in the Church as possible to think how they can be involved in Church by coming to worship on a Sunday and then doing two more hours of service during the week. The Kirk Session chose to focus particularly on service to people in their 20s and 30s, who make up the largest part of our parish, but one of the smaller segments of our congregation. A variety of different kind of events were run recognising that among those in their 20s/30s are students, young professionals, and those with young families, and that these groups have differing needs and interests. The events included lunches & meals, a Eurovision Song Contest Party and a Beach Day at North Berwick. A group of young people helped with the Bethany Christmas Tree Scheme.

Our Lent Discussion Groups ran twice a week throughout Lent met in the new rooms. We also held a Dessert and Discussion Evening where we met to discuss the Gospel of Mark

The number of people associated with our congregation continues to rise and our Roll of Adherents has increased again. This is also shown in new and more worshippers on Sunday mornings. We are also encouraged by the involvement in our work by those who are new to our worshipping community.

Trustees Annual Report (continued)
Year ended 31 December 2011

This year we held our third Homecoming Service on Mothering Sunday when we invited children from our cradle roll and regular worshippers also brought along friends and neighbours to celebrate the occasion with us. Our Christmas worship once again attracted substantial numbers to the Church at 6.30pm, 11.30pm on Christmas Eve and 10.30am on Christmas Day.

The Sunday Club continues to benefit from having a greater number of children in attendance and a rota of Sunday Club leaders who participate fully in our children's ministry but also are enabled to attend worship regularly.

The congregation looks forward to continuing to use its building in **service** to the community and to developing our congregational life as we strive to serve our people and parish.

Financial review

Unrestricted funds

The position of the General Fund is summarised in the table below. The letting of our newly refurbished rooms in the last two has years proven to be a welcome source of revenue and has allowed us to report a surplus in the General Fund for the second year running. In addition to the sums in the table below, a further £4,800 (2010: £4,000) of rental income has been accounted for in the Refurbishment Appeal Fund (and will be used reduce our loan balance). Congregational giving has risen by 9% maintaining the trend observed in the previous year.

<i>General Fund income and expenses</i>	2011	Increase / decrease	2010 (adjusted*)
Congregational giving (including Gift Aid)	55,341	9%	50,743
Endowment and investment income *	2,246	2%	2,193
Vodafone rental income	10,581	8%	9,794
Other income from use of premises	4,597	-30%	6,564
Coffee mornings, fairs etc.	6,529	9%	5,996
Other income	800	-57%	1,860
	<u>80,094</u>	4%	<u>77,150</u>
Expenses	<u>(78,325)</u>	2%	<u>(76,646)</u>
Surplus / (deficit) before revaluation gains	<u>1,769</u>		<u>504</u>

* In 2011 the Consolidated Stipend Income and the Ministries and Mission Contribution have been offset and only the net figure is presented in the accounts. For consistency, the equivalent adjustment has been made to the 2010 figures in the table above (but the comparative figures in the accounts have not been restated for this change in policy).

The other unrestricted funds are the Manse Fund and the Legacy Fund.

The Manse Fund was established during 2011 and represents the capital value of the manse and garage. A transfer of £300,000 from the General Fund to the Manse Fund appears in these accounts. There were no other transactions in the Manse Fund in the year.

No legacies were received in 2011 (2010: £300) but we were advised of a legacy which is expected to be received during 2012. Interest income of £124 was the only transaction in the Legacy Fund during 2011.

Until 2010, the Fabric Fund was accounted for as an unrestricted fund. However it is now considered to be more appropriate to treat this fund as a restricted fund as, for a number of years, the Fund's

Trustees Annual Report (continued)
Year ended 31 December 2011

income has exclusively been from donations or endowment income which has been specified as being for fabric purposes. Accordingly, the opening balance of the Fabric Fund of £20,184 appears as a transfer to a new restricted Fabric Fund.

Refurbishment appeal

During 2011, the final payment to the contractor in connection with the building work completed in December 2009 was made. A total of £1,591,000 has been spent on the project to date. Further costs estimated at £6,000 may yet be incurred (but have not been accrued for). In addition, interest continues to accrue (currently at a rate of £2,400 p.a.) but is steadily diminishing as loan balances are paid down.

The Trustees are grateful for all grants and donations towards the refurbishment appeal. Approximately £38,300 of income was received in 2011 (2010: £104,000). This total includes the following amounts:

Congregational giving (including Gift Aid)	£31,979
Listed Placed of Worship Grant Scheme	£1,429
Rental income	£4,800

Some of the income from letting premises has been accounted for in the Refurbishment Appeal Fund. This amounted to £4,800 (2010: £4,000). This reflects the fact that a significant proportion of such income has been generated from the asset created by the Refurbishment Appeal Fund through its expenditure on the refurbishment works. Income accounted for in this way will be fully utilised in repaying our loan to the General Trustees.

All income related to the Appeal is transferred to the Church of Scotland General Trustees. For information purposes, a full statement accounting for all transactions, combining those incurred by the congregation and the General Trustees, which relate to the refurbishment project since the launch of the refurbishment appeal is given in Appendix 3. This shows that the cumulative shortfall of income to expenditure now stands at £52,168 (2010: £66,518). Once this figure is adjusted to take account of accrued gift aid and other accruals the shortfall stands at £47,990 (2010: 64,331).

This shortfall has been temporarily met by loans from the General Trustees and from our Fabric Fund and the unrestricted funds. The loan from the General Trustees is repayable over five years and is included as a liability on the balance sheet. At the end of 2011, the balance outstanding (excluding interest) was £38,851 (2010: £57,350). During 2010, the Trustees decided that £33,000 of unrestricted deposits held in other funds would be temporarily made available to the Appeal Fund in order to reduce the loan balance (and thereby our interest expense). This was accounted for as a loan between funds. During 2011 this balance was reduced to £30,000.

A sum of £443 (2010: £293) was transferred to the General Fund and the other unrestricted funds from the Refurbishment Appeal Fund. This sum represents notional interest on the loans made to the Refurbishment Appeal Fund. The interest rate is 0.25% above the interest rate of the COSIT Deposit Fund.

The Church building itself is vested in the General Trustees of the Church of Scotland and does not appear on our balance sheet.

Other restricted funds

Fabric expenditure was unusually high this year at £32,892 (2010: £475). This included £24,034 on repairs to the ceiling above the organ and to the organ itself and £3,832 on repairs to the vestry roof. The Trustees are grateful for the financial support they received from Edinburgh Presbytery, the Haymarket Fund and the Wm Bryden Bequest. This included a lowering of our Ministries and Mission contribution by £10,503 and, accordingly, that sum was transferred from the General Fund to the Fabric Fund.

Trustees Annual Report (continued)
Year ended 31 December 2011

The Messy Church Fund was established in the year with a grant of £400 to run activities for young children.

The 20s & 30s Fund was established in the year with a grant of £250 to contribute to the costs of running events for members of our worshipping community in their 20s and 30s.

Transactions for these, and the other restricted funds, are summarised at note 15 of the accounts.

Investments and endowment funds

This year, the amount of investment income which was transferred from endowment funds into the various restricted and unrestricted funds was £5,232 (2010: £5,224).

Additionally, investment losses of £4,213 (2010: gains of £9,879) have been recognised in the General and Endowment Funds. Our main investment continues to be the Growth Fund of the Church of Scotland Investors Trust the unit price of which has fallen from £3.69 to £3.38 over the year (and remains significantly lower than the 31 December 2007 figure of £4.20). The unrealised loss on the Growth Fund was mitigated by an unrealised gain on the War Loan.

Reserves policy

The unrestricted reserves at the end of the financial year amount to £348,172 (2010: £368,708) of which £300,000, representing the value of our properties, has been designated as the Manse Fund. The reduction since last year reflects that the Fabric Fund which has a balance of £14,673 (2010: £20,184) is now regarded as a restricted fund.

It would be the normal practice of the Trustees to hold unrestricted reserves of approximately four months expenditure including designated funds. However, with the extensive refurbishment work on the Church not yet fully funded, the trustees deem it to be prudent to hold a larger figure as it is likely that our financial position will remain under strain while we repay the loan from the General Trustees. Once stable levels of recurring income have been established and the maintenance and running cost of our new facility are known with greater certainty, the reserves policy shall be kept under review. Additionally, other facts provide financial uncertainty such as uncertainty over how long the Church's exemption from water and sewage charges will continue and the current rental agreement with Vodafone, which yields significant income, is due to expire in 2017.

Excluding the Refurbishment Fund (which is in deficit), the Church held £26,845 (2010: £13,100) of restricted funds which have been provided for the purposes specified in note 15. The increase since last year mainly represents the change in the treatment of the Fabric Fund referred to above.

The endowment revenue reserve of £17,393, (2010: £16,914) arises from the gain on the revaluation to market value of the investments in the endowment capital funds, which cannot be spent.

Trustees Annual Report (continued)
Year ended 31 December 2011

Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair value of the state of affairs of the charity and its financial activities for the period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006. They are also responsible for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf.

I.R. Buckingham
Session Clerk
Date: 26 January 2012

Independent Examiner's Report to the Trustees of Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland)

I report on the accounts of the charity for the year ended 31 December 2011 which are set out on pages 10 to 24.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations do not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiners statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination no matter has come to my attention

- 1) which gives me reasonable cause to believe that in any material respect the requirements:-
 - i) to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alexander F. Gemmill
Non-practising Member of the Institute of Chartered Accountants of Scotland

40 Warriston Gardens,
Edinburgh, EH3 5NE
Date: 21 February 2012

Statement of Financial Activities
Year ended 31 December 2011

	Note	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Endowment Funds 2011 £	Total 2011 £	Total 2010 £
<u>Incoming resources</u>						
Incoming resources from generated funds						
Voluntary income	1	55,641	47,807	0	103,448	167,188
Activities for generating funds	2	15,178	4,800	0	19,978	20,358
Investment income	3	1,219	63	5,232	6,514	9,824
Incoming resources from charitable activities	4	7,029	0	0	7,029	6,246
Total incoming resources		79,067	52,670	5,232	136,969	203,616
<u>Resources expended</u>						
Costs of generating funds	5	(247)	0	0	(247)	(389)
Charitable activities		(67,575)	(44,831)	0	(112,406)	(155,271)
Total resources expended		(67,822)	(44,831)	0	(112,653)	(155,660)
Net incoming/outing resources before transfers		11,245	7,839	5,232	24,316	47,956
Transfers between funds *	15	(9,352)	14,584	(5,232)	0	0
Net incoming/outing resources before other recognised gains and losses		1,893	22,423	0	24,316	47,956
Gain/loss on revaluation and sale of investments	9	(2,245)	0	(1,968)	(4,213)	9,879
Net movement in funds		(352)	22,423	(1,968)	20,103	57,835
Total funds brought forward	15	368,708	(70,951)	127,004	424,761	366,926
Transfer of opening balance *		(20,184)	20,184	0	0	0
Total funds carried forward		348,172	(28,344)	125,036	444,864	424,761

* Note that, for clarity, the transfer of the opening balance in the Fabric Fund from the Unrestricted category to the Restricted category has been shown separately from other transfers between funds.

Balance Sheet
As at 31 December 2011

	<i>Note</i>	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible fixed assets	8		303,881		304,096
Investments	9		149,514		153,728
			453,395		457,824
Current assets					
Debtors	10	15,584		11,236	
Cash	11	25,169		23,990	
		40,753		35,226	
Creditors					
Falling due within one year	12	(10,433)		(10,939)	
				(10,939)	
Net current assets			30,320		24,287
Liabilities					
Loan	13		(38,851)		(57,350)
Net assets			444,864		424,761
Unrestricted funds					
Undesignated funds	14	48,172		348,524	
Designated fund	14, 15	300,000		20,184	
		348,172		368,708	
Restricted funds	14, 15	(28,344)		(70,951)	
Endowment funds: Revenue	15	17,393		16,914	
				(53,937)	
Endowment funds: Capital	15		337,221		314,671
			107,643		110,090
Total funds			444,864		424,761

The Accounts were approved by the Kirk Session on 26th January 2012.

G. Gray

Treasurer

I. R. Buckingham

Session Clerk, for and on behalf of the Kirk Session

Accounting policies

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the accounts are set out below.

The charity has adopted the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities (issued February 2005).

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, modified to reflect the inclusion of investments and heritable property at market value, and in accordance with the Charities Accounts (Scotland) Regulations 2006, the Regulations anent Congregational Finance approved by the General Assembly of the Church of Scotland in 2007 and by the Statement of Recommended Practice Accounting and Reporting by Charities (2005).

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds held subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Endowment funds are funds which have been given on the condition that the whole of the fund is permanently maintained for the benefit of the charity as a capital fund, but the income therefrom is used for the purpose defined in accordance with the objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Incoming resources

All donations and gifts, other than special collections for other bodies with no connection to the charity, are included within incoming resources under either restricted or unrestricted funds according to the terms under which the donation is made when the amount can be quantified with reasonable certainty. Material donations and gifts in kind are brought into these accounts at market value to the charity.

Resources expended

Expenditure is recognised on an accruals basis as the liability is incurred.

Accounting policies (continued)

Tangible fixed assets

The charity has a right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets.

The heritable fixed assets comprise:

Vested in the Church of Scotland General Trustees

Church: 12 Bellevue Crescent, Edinburgh EH3 6NE

Owned by the charity

Manse: 103 East Claremont Street, Edinburgh EH7 4JA

Lock up Garage: 5c Inverleith Place, Edinburgh EH3 5QJ

The manse and lock up garage are stated at market valuations placed on them by the trustees. Expenditure incurred on repair and maintenance of the heritable fixed assets is charged as resources expended in the statement of financial activities in the period in which the liability arises. Normal expenditure is charged to the General Fund while extraordinary repairs and improvement of fabric, fittings and equipment is met from the designated Fabric Fund.

All tangible fixed assets having a value to the charity of greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, over their estimated useful lives.

Fixtures, fittings and office equipment	10 years
Musical instruments	20 years

No depreciation has been charged against heritable property as the trustees consider that any depreciation would not be material as the asset has a very long useful life.

Investments

Fixed asset investments are stated at market value at the balance sheet date. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year. Realised gains and losses represent the difference between the proceeds on the disposal and the market value at the start of the year or cost if purchased in the year.

Taxation

Broughton St. Mary's Parish Church is recognised as a charity for the purposes of applicable taxation legislation and is not therefore subject to taxation on its charitable activities.

The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Short term deposits

Where revenue funds are available to be placed on short term deposit the Church of Scotland Investors Trust Deposit Fund is used.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Endowment Funds 2011 £	Total 2011 £	Total 2010 £
5. Analysis of resources expended					
Costs of generating funds					
Offering envelopes	(247)	0	0	(247)	(389)
	<u>(247)</u>	<u>0</u>	<u>0</u>	<u>(247)</u>	<u>(389)</u>
Charitable activities					
Ministries and Mission Contribution	(28,747)	0	0	(28,747)	(39,865)
Presbytery dues	(1,194)	0	0	(1,194)	(1,541)
	<u>(29,941)</u>	<u>0</u>	<u>0</u>	<u>(29,941)</u>	<u>(41,406)</u>
Minister's expenses	(4,413)	0	0	(4,413)	(4,102)
Other salary costs	(12,435)	0	0	(12,435)	(12,425)
Pulpit supply	(361)	0	0	(361)	(330)
Fabric repairs and maintenance	(1,849)	(32,388)	0	(34,237)	(1,352)
Buildings insurance	(7,774)	0	0	(7,774)	(7,705)
Energy and other building costs	(6,375)	0	0	(6,375)	(8,747)
Church office expenses	(1,364)	0	0	(1,364)	(1,567)
Organ and music	(15)	(458)	0	(473)	(747)
Other expenses	(3,048)	(3,006)	0	(6,054)	(6,661)
Transfer to General Trustee a/c 560100082	0	(6,376)	0	(6,376)	(28,011)
Loan obligation accepted (in lieu of incurring refurbishment expenditure directly)	0	0	0	0	(37,000)
Interest payable	0	(2,603)	0	(2,603)	(4,415)
Mission partners	0	0	0	0	(803)
	<u>(67,575)</u>	<u>(44,831)</u>	<u>0</u>	<u>(112,406)</u>	<u>(155,271)</u>
Total	<u>(67,822)</u>	<u>(44,831)</u>	<u>0</u>	<u>(112,653)</u>	<u>(155,660)</u>

Support costs have not been separately identified as the trustees consider that there is only one charitable activity. Therefore, support costs relate wholly to that activity and have not been separately identified.

6. Staff costs and numbers	2011 £	2010 £
Salaries and wages	12,231	12,105
Social security costs	204	320
	<u>12,435</u>	<u>12,425</u>

The average number of employees during the year was as follows:

	2011 Number	2010 Number
Ministerial support	1	1
Music staff	1	1
	<u>2</u>	<u>2</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

6. Staff costs and numbers (Continued)

All Church of Scotland congregations contribute to the National Stipend Fund which bears the cost of all ministers' stipends and employers' contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £23,139 and the maximum stipend (in the tenth and subsequent years) £30,426.

7. Trustees remuneration and related party transactions

During the year Council Tax of £1,524 (2010: £1,693) was paid in respect of the manse. In addition, the Minister was reimbursed for £1,433 (2010: £1,437) of travel expenses. Mr C. Beck received £200 (2010: £200) for providing services as supply organist and a relative of Mrs E Theurer received £nil (2010: £120) for painting work.

8. Tangible fixed assets

	Buildings	Musical Instruments	Total
<u>Cost or valuation</u>			
At 31 December 2010	300,000	4,312	304,312
Additions	0	0	0
At 31 December 2011	<u>300,000</u>	<u>4,312</u>	<u>304,312</u>
<u>Accumulated depreciation</u>			
At 31 December 2010	0	(216)	(216)
Charge for year	0	(215)	(215)
At 31 December 2011	<u>0</u>	<u>(431)</u>	<u>(431)</u>
<u>Net book value</u>			
At 31 December 2010	<u>300,000</u>	<u>4,096</u>	<u>304,096</u>
At 31 December 2011	<u>300,000</u>	<u>3,881</u>	<u>303,881</u>

The heritable fixed assets owned by the charity are detailed in the Statement of Accounting Policies above. The musical instrument comprise two pianos acquired during 2010. Other tangible fixed assets owned by the charity were acquired more than 10 years ago and are regarded as fully depreciated.

9. Investments

	2011 £	2010 £
Market value at previous 31 December	153,728	143,849
Gain/(loss) on revaluation or sale of investments	(4,214)	9,879
Market value at 31 December	<u>149,514</u>	<u>153,728</u>
<u>The following investments are held:</u>		
Church of Scotland Investors Trust: Growth Fund (31,875 units)	107,737	117,619
Church of Scotland Investors Trust: Deposit Fund	13,674	13,674
3.5% War Stock (£28,917.60)	28,103	22,435
Market value at 31 December	<u>149,514</u>	<u>153,728</u>
Investments at cost	<u>139,069</u>	<u>139,069</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

	2011 £	2010 £
10. Debtors		
Gift Aid tax refund due	10,570	6,892
Other debtors	5,014	4,344
	<u>15,584</u>	<u>11,236</u>
11. Cash		
Current accounts	11,338	9,462
Short term deposit account	13,831	14,528
	<u>25,169</u>	<u>23,990</u>
12. Creditors		
Rental income received in advance	7,056	7,055
Accrued expenses and other creditors	3,377	3,884
	<u>10,433</u>	<u>10,939</u>
13. Loan		
Loan from the General Trustees of the Church of Scotland	<u>38,851</u>	<u>57,350</u>

This loan was advanced to fund building work and the obligation to repay it is accounted for in the Refurbishment Fund. It was drawn down in stages from October 2009 onwards and the maximum amount outstanding was £167,000. The loan is repayable in instalments with the final instalment due on 30 September 2014. Interest of 5% p.a. is payable.

14. Analysis of net assets between funds

	Undesignated £	Designated £	Restricted £	Endowment £	Total £
Fixed assets	265	300,000	3,616	0	303,881
Investments	24,478	0	0	125,036	149,514
Current assets	14,375	0	26,378	0	40,753
	<u>39,118</u>	<u>300,000</u>	<u>29,994</u>	<u>125,036</u>	<u>494,148</u>
Current liabilities	(9,746)	0	(687)	0	(10,433)
Loan	0	0	(38,851)	0	(38,851)
Loans between funds	18,800	0	(18,800)	0	0
Net Assets at 31 December 2011	<u>48,172</u>	<u>300,000</u>	<u>(28,344)</u>	<u>125,036</u>	<u>444,864</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

15. Movement in funds

	Balance as at	Incoming	Revaluation	Outgoing	Transfers	Balance as at 31/12/2011	
	01/01/2011	Resources	Gains	Resources		Capital	Revenue
	£	£	£	£	£	£	£
<u>Endowment funds</u>							
Bellevue Fund	1,410	63	(119)	0	(63)	1,020	271
Miss M. Wemyss Memorial	1,638	73	(137)	0	(73)	999	502
Mrs J. McNeill Memorial	907	10	0	0	(10)	907	0
Mrs J. Irvine Memorial	3,182	142	(268)	0	(142)	2,500	414
Other General Fund							
Legacies	12,391	176	(62)	0	(176)	12,186	143
A.G. Bryson Memorial	75,914	3,395	(6,377)	0	(3,395)	69,537	0
Miss M. Sim Memorial	982	44	(83)	0	(44)	899	0
Other Fabric Fund							
Legacies	801	36	(68)	0	(36)	618	115
J. Spence Memorial	351	16	(30)	0	(16)	321	0
Mrs Naismith Memorial	662	30	(57)	0	(30)	605	0
Lawrence S. Miller Memorial (Sunday Club)	1,003	45	(84)	0	(45)	726	193
Lawrence S. Miller Memorial (Ministerial Support)	2,454	110	(206)	0	(110)	1,897	351
Congregation Benevolent Legacies	2,079	90	6	0	(90)	1,293	792
James Kirkhope Bequest	1,023	46	258	0	(46)	597	684
Ann Padon Bequest	433	20	111	0	(20)	253	291
Braidwood Bequest	898	41	227	0	(41)	524	601
Broughton Lady Visitor Fund	2,472	111	624	0	(111)	1,442	1,654
Dorcas Society Fund	1,442	30	99	0	(30)	1,277	264
Canongate Fund	2,673	121	674	0	(121)	1,559	1,788
Rutherford Bequest	834	38	211	0	(38)	487	558
Miss Jack Legacy	947	43	240	0	(43)	553	634
General Fund							
Legacies (KS)	300	3	0	0	(3)	300	0
Mrs Mackie Bequest	148	7	37	0	(7)	86	99
Miss Simpson Bequest	1,349	61	341	0	(61)	787	903
Isabella Cook Memorial	950	43	243	0	(43)	555	638
Missionary Society Funds	7,182	324	1,816	0	(324)	4,190	4,808
Sutherland Bequest	116	3	15	0	(3)	89	42
Callendar Bequest	956	43	241	0	(43)	557	640
Dr. G.S. Gunn Memorial	929	42	234	0	(42)	542	621
Neill & Davidson Bequests	319	14	81	0	(14)	186	214
J. Sommerville Bequest Special Calls	259	12	65	0	(12)	151	173
Carried forward	127,004	5,232	(1,968)	0	(5,232)	107,643	17,393

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

15. Movement in funds (continued)

	Balance as at	Incoming	Revaluation	Outgoing	Transfers	Balance as at 31/12/2011	
	01/01/2011	Resources	Gains	Resources		Capital	Revenue
	£	£	£	£	£	£	£
<u>Restricted funds</u>							
Ministerial Support							
Fund	1,354	7	0	(200)	110	0	1,271
Organ Maintenance							
Fund	333	26	0	0	45	0	404
Flower Fund	(13)	188	0	(93)	14	0	96
Mission Partners Fund	0	0	0	0	0	0	0
Refurbishment Fund	(84,051)	38,298	0	(8,979)	(443)	0	(55,175)
Benevolent Fund	3,773	34	0	(203)	337	0	3,941
Mission & Worship	5	0	0	(279)	201	0	(73)
Youth Fund	170	1	0	0	3	0	174
Senior Citizens Fund	893	5	0	0	43	0	941
Bible Presentation							
Fund	48	0	0	(79)	42	0	11
Special Calls Fund	102	1	0	0	12	0	115
Youth & Choral Fund	500	2	0	(92)	0	0	410
Adult Education Fund	21	0	0	0	0	0	21
Sunday Club Fund	154	102	0	(227)	45	0	74
Minute for Mission	1,232	31	0	(800)	0	0	463
Music Fund	4,528	5	0	(366)	0	0	4,167
Fabric Fund	0	13,206	0	(32,892)	34,359	0	14,673
Messy Church	0	514	0	(426)	0	0	88
20s & 30s Fund	0	250	0	(195)	0	0	55
	(70,951)	52,670	0	(44,831)	34,768	0	(28,344)
<u>Unrestricted funds</u>							
Designated Fabric							
Fund	20,184	0	0	0	(20,184)	0	0
Designated Manse							
Fund	0	0	0	0	300,000	0	300,000
Legacy Fund	9,903	(5)	0	0	129	0	10,027
General Fund	338,621	79,072	(2,245)	(67,822)	(309,481)	0	38,145
	368,708	79,067	(2,245)	(67,822)	(29,536)	0	348,172
Total Funds	424,761	136,969	(4,213)	(112,653)	0	107,643	337,221

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

15. Movement in funds (continued)

Purposes of endowment funds

The income from the following endowments is to be used for the general work of the congregation as sanctioned by the Kirk Session:

Bellevue Fund	General Fund Legacies (KS)
Miss M. Wemyss Memorial	Mrs Mackie Bequest
Mrs J. McNeill Memorial	Miss Simpson Bequest
Mrs J. Irvine Memorial	Isabella Cook Memorial.
Other General Fund Legacies	

The income from the following endowments is to be used for the maintenance of the fabric of the congregational properties and for the maintenance of fixtures, fittings and equipment installed in the congregational properties:

A.G. Bryson Memorial	Other Fabric Fund Legacies.
Miss M. Sim Memorial	

The income from the following endowments is to be used for the purpose of maintaining the organ and other musical instruments used in the conduct of worship:

J. Spence Memorial	Mrs Naismith Memorial.
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The income from the Lawrence S. Miller Memorial is to be used, at the discretion of the Kirk Session, for the purpose of providing additional financial support to the minister of the congregation.

The income from the following endowments is to be used for benevolent purposes by way of grants and financial assistance to members of the congregation and others:

Congregation Benevolent Legacies	Braidwood Bequest
James Kirkhope Bequest	Broughton Lady Visitors Fund
Ann Padon Bequest	Dorcas Society Fund

The income from the following endowments is to be used for mission and worship purposes in the congregation and in the wider mission work of the Church.

Canongate Fund	Miss Jack Legacy
Rutherford Bequest	

The income from the 17 individual bequests making up the Missionary Society Fund is to be used for the work of the Church world-wide. This is achieved by using the income as part of the congregation's Ministries and Mission Contribution to the Church of Scotland.

The income from the Sutherland Bequest is to be used for youth work in the congregation.

The income from the Callendar Bequest is to be used to provide benefits such as summer outings and Christmas parties for the senior citizens in the congregation.

The income from the Dr. G.S. Gunn Bequest is to be used to provide bibles to mark special occasions in the life of individuals in the congregation.

The income from the Neill & Davidson Bequests is to be used to provide flowers for the Church sanctuary.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

15. Movement in funds (continued)

The income from the J. Sommerville Bequest for Special Calls is to be used to meet at the discretion of the Kirk Session, special calls made on the resources of the congregation.

The income from the Lawrence S. Miller Memorial (Sunday Club) is to be used to provide funds to support the work of the Sunday Club (Sunday School) of the congregation.

(Note: All of the income from the above endowments is transferred annually to the appropriate fund which is specified for the endowment.)

Purposes of restricted funds

Ministerial Support Fund: This is a fund established to provide, at the discretion of the Kirk Session, additional financial support to the minister.

Organ Maintenance Fund: This is a fund established to provide funds to meet the costs of maintaining the organ and other musical instruments used in the conduct of worship.

Flower Fund: This is a fund to be used to provide flowers in the Church premises and for other approved purposes.

Mission Partners Fund: This is a fund to be used to provide income to support the work of our Mission partners. At present the work of Roy and Jane Dodman in Jamaica is the focus of our efforts.

Refurbishment Fund: The congregation launched an appeal to raise £1.7 million to carry out a major refurbishment of the Church building in Bellevue Crescent. All the income which is raised is transferred to the Church of Scotland General Trustee Account 560100082 (see Appendix 1). The funds in this account are designed to meet the costs of carrying out the refurbishment.

Benevolent Fund: This is a fund established to provide grants and financial assistance to members of the congregation and others in need.

Mission & Worship Fund: This is a fund established to provide materials to assist the minister in the conduct of worship and to promote the mission statement of the congregation both in the parish and in the wider work of the Church.

Youth Fund: This is a fund which provides resources promoting the work of youth projects associated with the congregation.

Senior Citizens Fund: This is a fund which is used towards meeting the costs of projects and functions for the senior citizens in the congregation.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2011

15. Movement in funds (continued)

Bible Presentation Fund: This is a fund used to meet the costs of bibles purchased for presentation purposes.

Special Calls Fund: This is a fund established to meet the costs of special calls made on members and resources of the congregation.

Youth & Choral Fund: This is a fund established from the proceeds of the McBain Legacy to meet the cost of music resources for the Church choir and for meeting the cost of youth projects. There is no fixed split of how the income should be allocated between youth and choral projects.

Adult Education Fund: This fund is to be used towards meeting the cost of organising and members attending Christian education events.

Sunday Club Fund: This fund is used for the provision of resources to enable the Sunday Club to meet the objectives that have been set by the Kirk Session.

Minute for Mission Fund: This fund is to support the further education of a former pupil of Cannonmills school within the parish.

Music Fund: This fund was established in 2010 originally to fund the costs of a new piano and it has been agreed with the relevant donor that surplus funds should be applied for Music purposes.

Fabric Fund: This fund is designated to meet the costs of extraordinary repairs and improvement of fabric, fittings and equipment used in the congregational properties. From 2011 onwards, this fund has been regarded as a restricted fund rather than a designated fund as the fund's income is substantially all from donations or endowment income which are specified as being for fabric purposes.

Messy Church Fund: This fund was established in 2011 to run activities for young children.

20s & 30s Fund: This fund was established in 2011 to contribute to the costs of running events for members of our worshipping community in their 20s and 30s.

Purposes of designated funds

Manse Fund: This fund represents the capital value of the manse and garage.

16. Special collections

In addition to the General Fund income, the following special collections were received and distributed:

	2011 £
Waverley Care	474
Child Survival Malawi	700
Amy Pierce	500
Soldiers, Sailors & Airmen Families Association	41
	<hr/> <hr/> 1,715 <hr/> <hr/>

Financial Statements

Year ended 31 December 2011

**Appendix 1: Consolidated Fabric Funds held on behalf of the Congregation
by the Church of Scotland General Trustees**

	2011 £	2010 £
Capital Accounts		
Account 550100082 credit balance at cost	3,714	3,714
Account 560100082 credit balance at cost (Refurbishment Appeal)	7,185	19,720
	<u>10,899</u>	<u>23,434</u>
Market values of above balances	<u>11,233</u>	<u>23,991</u>
Revenue Account		
Account 500100081 Credit balance	<u>13,382</u>	<u>9,519</u>
Reconciliation between opening and closing balances		
Aggregate of opening balances at cost	32,953	15,135
Transfer from Congregation towards refurbishment costs	6,376	28,011
Refurbishment costs	(19,153)	(47,720)
Loan advanced from General trustees	0	37,000
Investment income	574	527
Net rental income received from mobile phone companies	14,113	10,582
Rental income remitted to Congregation	(10,582)	(10,582)
Aggregate of above closing balances at cost	<u>24,281</u>	<u>32,953</u>

Appendix 2: Trust fund administered by congregational Treasurer

	2011 £	2010 £
Revenue account		
<i>Income</i>		
Investment income	168	163
<i>Expenses</i>		
Paid to Mrs McArthur, widow of former minister	(168)	(163)
Balance carried forward	<u>0</u>	<u>0</u>
Capital at cost		
<i>Bryson Trust Fund</i>		
208 Units Church of Scotland Investors Trust: Income Fund	1,748	1,748
<i>Mrs A.C.M. Lawrence Trust Fund</i>		
63 Units Church of Scotland Investors Trust: Income Fund	497	497
	<u>2,245</u>	<u>2,245</u>
Market value of above investments	<u>2,767</u>	<u>2,724</u>

Financial Statements

Year ended 31 December 2011

Appendix 3: Special Appeal for Church Refurbishment

The undernoted statement represents the transactions since the inception of the appeal in 2005.

Receipts (other than loans)

Congregation giving: Gift Aided	174,393	
Tax refund	46,735	
Congregational giving: Ordinary	37,269	
Grants and donations	386,876	
Deposit interest	70,041	
Church Centre sale proceeds	750,000	
Gain on sale of shares	10,251	
Opening Funds in General Trustee Account	47,721	
Legacies	2,000	
Income from letting premises	7,350	
Other income (including fundraising)	6,436	
	<u>1,539,072</u>	

Expenditure

Administration and marketing costs	(11,896)	
Less Transfer from General Fund	9,946	
	<u>(1,950)</u>	
Professional Fees	(399,342)	
Construction Costs	(1,153,008)	
Cost of sale of Church Centre	(13,632)	
Planning application fees	(5,487)	
CFF loan Interest	(1,414)	
Interest paid on GT loan	(8,158)	
Notional interest on loans from other funds	(293)	
Handrail	(4,888)	
Other	(3,068)	
	<u>(1,591,240)</u>	
		<u>(52,168)</u>

Loan advances remaining outstanding

General Trustee loan	<i>Note 13</i>	38,851
Loan from unrestricted funds		30,000
		<u>16,683</u>
Net cash balance remaining	<i>as below</i>	<u><u>16,683</u></u>

Assets & liabilities

Assets

Available cash	<i>as above</i>	16,683
Accrued gift aid, rental income and other income		4,781

Liabilities

Loan from the General Trustees	<i>Note 13</i>	(38,851)
Loan from unrestricted and Fabric funds		(30,000)
Accrued interest		(603)

Net assets / (liabilities) (47,990)

Held thus

Held on our behalf by the General Trustees	<i>Appendix 1</i>	7,185
Balance in congregational appeal fund	<i>Note 15</i>	(55,175)

Cumulative surplus / (shortfall) (47,990)